



NOTICE

NOTICE is hereby given that the Twenty Third Annual General Meeting of **HAVELL'S INDIA LIMITED** will be held at Shah Auditorium, Raj Niwas Marg, Civil Lines, Delhi - 110 054 on Tuesday, the 27th day of June, 2006 at 10:00 A.M. to transact the following businesses:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2006, the Profit and Loss Account of the Company for the year ended on that date, and the Reports of the Auditors and Directors thereon.
2. To declare dividend for the financial year ended on 31st March, 2006.
3. To appoint a Director in place of Shri Surjit Gupta, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Abid Hussain, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting by passing the following resolution with or without modification(s):

"RESOLVED THAT pursuant to the provisions of Section 224 of the Companies Act, 1956, M/s V P Bansal & Company, Chartered Accountants be and are hereby re-appointed as the auditors of the Company till the conclusion of the next Annual General Meeting and the Board of Directors / Audit Committee of the Company or Shri Qimat Rai Gupta, Chairman & Managing Director or Shri Anil Gupta, Joint Managing Director of the Company be and is hereby authorised to fix their remuneration"

SPECIAL BUSINESS

6. To pass with or without modification, the following resolution as an **ORDINARY RESOLUTION**
TO APPOINT MAJ. GEN. D. N. KHURANA AS DIRECTOR OF THE COMPANY

"RESOLVED THAT in conformity with the provisions of Section 260 of the Companies Act, 1956, **Maj. Gen. D.N. Khurana**, who was appointed as an Additional Director of the Company and who holds office only upto this Annual General Meeting and in respect of whom the Company has received a notice in writing alongwith a deposit of Rs.500/- in terms of Section 257 of the Companies Act, 1956 from a member proposing the candidature of **Maj. Gen. D.N. Khurana** for the office of the Director of the Company be and is hereby elected and appointed as a Director of the Company liable to retire by rotation."

7. To pass with or without modification, the following resolution as an **ORDINARY RESOLUTION**
TO APPOINT SHRI S. B. MATHUR AS DIRECTOR OF THE COMPANY

"RESOLVED THAT in conformity with the provisions of Section 260 of the Companies Act, 1956, **Shri S.B. Mathur**, who was appointed as an Additional Director of the Company and who holds office only upto this Annual General Meeting and in respect of whom the Company has received a notice in writing alongwith a deposit of Rs.500/- in terms of Section 257 of the Companies Act, 1956 from a member proposing the candidature of **Shri S.B. Mathur** for the office of the Director of the Company be and is hereby elected and appointed as a Director of the Company liable to retire by rotation."

8. To pass with or without modification, the following resolution as an **ORDINARY RESOLUTION**
TO RE-APPOINT SHRI QIMAT RAI GUPTA AS MANAGING DIRECTOR AND TO FIX HIS REMUNERATION

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and 310 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof) for the time being in force, consent be and is hereby accorded for re-appointment of **Shri Qimat Rai Gupta** as Managing Director of the Company for the period from 1st November, 2005 to 31st March, 2010 on the terms and conditions including remuneration (and also including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the aforesaid period) as enumerated hereinbelow:

1. Period from 1st November, 2005 to 31st March, 2010
2. Remuneration

Salary	Rs.3,50,000 per month w.e.f. 1st November, 2005 Upto maximum of Rs.5,00,000/- per month.
Perquisites:	For this purpose perquisites are classified into three categories A, B and C:

Category 'A'

 - a) Medical Reimbursement :Expenses incurred, including Medical Insurance, for self and family subject to a ceiling of one month's salary in a year or three month's salary over the period of three years.
 - b) Leave Travel Concession :For self and family once a year incurred in accordance with the rules of the Company.
 - c) Bonus:As per policies and rules of the Company.
 - d) Club Fees : Fees of clubs subject to a maximum of two clubs, admission and life membership fees not being allowed.
 - e) Personal Accident Insurance:Premium not exceeding Rs.5000/- p.a.

Category 'B'

 - a) Company's contribution towards Provident Fund, Superannuation Fund. This will not be included for the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.



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- b) Leave Entitlement : As per Company's Policy

Category 'C'

The Company shall provide a car with chauffeur and telephone at the residence. Provisions of the car for use in Company's business and telephone at residence will be not be considered as perquisites. Personal long distance calls and use of car for private purpose shall be billed by the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company and / or any Committee thereof be and is hereby authorised to alter or vary any or all of the terms, conditions and / or to increase the remuneration of **Shri Qimat Rai Gupta** as approved subject to a maximum monthly salary of Rs.5,00,000/- and perquisites including the monetary value thereof within the limits specified in Schedule XIII to the Companies Act, 1956, without any further reference to the Company in general meeting.

RESOLVED FURTHER THAT the Board of Directors of the Company and /or any Committee thereof be and is hereby authorised to take such steps as may be necessary to give effect to this resolution.

9. To pass with or without modification, the following resolution as an **ORDINARY RESOLUTION**

TORRE-APPOINT SHRIRAJESH GUPTA AS WHOLE TIME DIRECTOR (FINANCE) AND TO FIX HIS REMUNERATION

"**RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309 and 310 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof) for the time being in force, consent be and is hereby accorded for re-appointment of **Shri Rajesh Gupta** as Whole Time Director (Finance) of the Company for the period of five years from 1st April, 2006 to 31st March, 2011 on the terms and conditions including remuneration (and also including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the aforesaid period) as enumerated hereinbelow:

1. Period From 1st April, 2006 to 31st March, 2011
2. Remuneration
 - Salary Rs.3,60,000/- per month subject to maximum of Rs.5,00,000/- per month.
 - Commission: 0.5% of the Profit before Tax
 - Perquisites: For this purpose perquisites are classified into three categories A, B and C:

Category 'A'

- a) Medical Reimbursement :Expenses incurred, including Medical Insurance, for self and family subject to a ceiling of one month's salary in a year or three month's salary over the period of three years.
- b) Club Fees : Fees of clubs subject to a maximum of two clubs, admission and life membership fees not being allowed.
- c) Personal Accident Insurance:Premium not exceeding Rs.5000/- p.a.

Category 'B'

- a) Company's contribution towards Provident Fund, Superannuation Fund. This will not be included for the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- b) Gratuity payable shall not exceed one months' salary for each completed years of service.
- c) Leave Entitlement : As per Company's Policy.

Category 'C'

The Company shall provide a car with chauffeur and telephone at the residence. Provisions of the car for use in Company's business and telephone at residence will be not be considered as perquisites. Personal long distance calls and use of car for private purpose shall be billed by the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company and / or any Committee thereof be and is hereby authorised to alter or vary any or all of the terms, conditions and / or to increase the remuneration of **Shri Rajesh Gupta** as approved subject to a maximum monthly salary of Rs.5,00,000/- and perquisites including the monetary value thereof within the limits specified in Schedule XIII to the Companies Act, 1956, without any further reference to the Company in general meeting.

RESOLVED FURTHER THAT the Board of Directors of the Company and/or any Committee thereof be and is hereby authorised to take such steps as may be necessary to give effect to this resolution."

10. To pass with or without modification, the following resolution as an **ORDINARY RESOLUTION:**

TO APPOINT SHRI ANIL GUPTA AS JOINT MANAGING DIRECTOR AND TO FIX HIS REMUNERATION

"**RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 316, 309 and 310 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof) for the time being in force, consent be and is hereby accorded for appointment of **Shri Anil Gupta** as **Joint Managing Director** of the Company for the period from 18th May, 2006 to 31st March, 2011 on the terms and conditions including remuneration (and also including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the aforesaid period) as enumerated hereinbelow:



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1. Period From 18th May, 2006 to 31st March, 2011
2. Remuneration
 - Salary Rs.1,50,000/- per month subject to maximum of Rs.5,00,000/- per month.
 - Perquisites: For this purpose perquisites are classified into three categories A, B and C:

Category 'A'

- a) Medical Reimbursement :Expenses incurred, including Medical Insurance, for self and family subject to a ceiling of one month's salary in a year or three month's salary over the period of three years.
- b) Leave Travel Concession :For self and family once a year incurred in accordance with the rules of the Company.
- c) Bonus:As per policies and rules of the Company.
- d) Club Fees : Fees of clubs subject to a maximum of two clubs, admission and life membership fees not being allowed.
- e) Personal Accident Insurance:Premium not exceeding Rs.5000/- p.a.

Category 'B'

- a) Company's contribution towards Provident Fund, Superannuation Fund. This will not be included for the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- b) Leave Entitlement : As per Company's Policy.

Category 'C'

The Company shall provide a car with chauffeur and telephone at the residence. Provisions of the car for use in Company's business and telephone at residence will be not be considered as perquisites. Personal long distance calls and use of car for private purpose shall be billed by the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company and / or any Committee thereof be and is hereby authorised to alter or vary any or all of the terms, conditions and / or to increase the remuneration of Shri Anil Gupta as approved subject to a maximum monthly salary of Rs.5,00,000/- and perquisites including the monetary value thereof within the limits specified in Schedule XIII to the Companies Act, 1956, without any further reference to the Company in general meeting.

RESOLVED FURTHER THAT the Board of Directors of the Company and/or any Committee thereof be and is hereby authorised to take such steps as may be necessary to give effect to this resolution."

11. To pass with or without modification, the following resolution as a **SPECIAL RESOLUTION**:

ISSUE OF QIPs/FCCBs/GDRs/ADRs ETC.

"RESOLVED THAT pursuant to Section 81, Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956, SEBI (Disclosure and Investor Protection) Guidelines 2000 ("SEBI DIP Guidelines") and the provisions of the Foreign Exchange Management Act, 2000 (FEMA), Foreign Exchange Management (Transfer of issue of Security by a Person Resident Outside India) Regulations, 2000, and subject to the approvals, consents, permissions and/ or sanctions as may be necessary of the Government of India (GOI), Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI), the Stock Exchanges and any other appropriate authorities, institutions or bodies and subject to such conditions as may be prescribed by any of them in granting any such approval, consent, permission or sanction, the Board of Directors of the Company (hereinafter referred to as the Board, which term shall be deemed to include any committee of the Board exercising the powers conferred by the Board) be and is hereby authorized on behalf of the Company to issue/ offer and allot, pursuant to international / domestic offerings in one or more foreign / Indian markets, Equity Shares / Preference Shares /Convertible Notes / Securities with or without detachable warrants/ any Securities convertible into Equity Shares whether optionally or otherwise /Euro Convertible Bonds (ECBs) / Qualified Institutional Placements (QIPs) / Foreign Currency Convertible Bonds (FCCBs)/ Global Depository Receipts (GDRs)/ American Depository Receipts (ADRs) / Secured Premium Notes (SPN), or any other instruments, (hereinafter referred to as Securities) for an aggregate amount not exceeding US\$ 60 Million (US Dollar Sixty Million only) (with permissible green shoe option) or equivalent in Indian and /or in any other currency (ies) (inclusive of such premium, as may be fixed on such Equity Shares) or upto such limit as may be permitted by the Ministry of Finance or such other Authorities whichever is higher, directly to Indian and Foreign Investors (whether institutions, incorporated bodies, mutual funds and / or individuals or otherwise and whether or not such investors are members, promoters, directors or their associates of the Company) through public issue(s), Rights issue(s), Private placement(s), preferential allotment, international offering etc. or a combination thereof in one or more tranches for cash or stock swap or acquisition of distribution rights / source codes/ digital contents/ business/companies, or conversion of outstandings / loan due to creditors/ lenders or a combination thereof at such time or times and in such trench or tranches, at such price or prices, at a discount or premium to market price or prices in such manner and on such terms and conditions including security, rate of interest etc. as may be decided and deemed appropriate by the Board at the time of such issue or allotment considering the prevailing market conditions and other relevant factors where ever necessary in consultation with the Lead Managers and Underwriters or through the subsidiaries, so as also to enable the Company to get the same listed at Indian Stock Exchanges and / or Overseas Stock Exchange such as Singapore, Luxembourg, London, NASDAQ and / or New York Stock Exchange and/ or any of the other Overseas Stock Exchanges.

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RESOLVED FURTHER THAT in the event that securities convertible into equity shares are issued under Chapter XIII A of the SEBI DIP Guidelines, the relevant date for the purpose of pricing of the securities, shall be 27th May, 2006, being the date which is 30 days prior to today (i.e., the date on which the meeting of the general body of shareholders is being held, in terms of Section 81(1A) of the Companies Act, 1956, to consider the proposed issue of Securities on preferential basis.

RESOLVED FURTHER THAT the Board be and is hereby authorized to accept any modifications in the proposals as may be required by the authorities involved in such issues but subject to such conditions as the SEBI/Gol/RBI or such other appropriate authorities may impose at the time of their approval and as agreed to by the Board.

RESOLVED FURTHER THAT without prejudice to the generality of the above, issue of securities in International offering may have all or any term or combination of terms in accordance with the International practice including but not limited to conditions in relation to payment of interest, additional interest, premium on redemption, pre-payment and any other debt service payment whatsoever and all such terms as are provided in International offering of this nature including terms for issue of additional Equity Shares or variation of the conversion price of the Securities during the duration of the securities.

RESOLVED FURTHER THAT the Board is also entitled to appoint / to enter into and execute all such arrangement / agreement with any Lead Managers / Underwriters / Guarantors / Depositors / Custodians and all such agents as may be involved or concerned in such offering of securities and to remunerate all such agents including by way of payment or commission, brokerage, fees, expenses incurred in relation to the issue of securities and other expenses, if any or the like.

RESOLVED FURTHER THAT the Board be and is hereby also authorized subject to approval of the Reserve Bank of India and the concerned authorities to secure the entire or any part of the issue by creation of the mortgage / charge on the company's immovable and movable properties, present and future, such charge to rank either pari passu with or second, subsequent, subservient and subordinate to all the mortgages / charges created / to be created by the Company for all existing and future borrowings and facilities whatsoever.

RESOLVED FURTHER THAT the Company and / or any agency or body authorized by the Company may issue FCCBs / GDRs / QIPs and / or other forms of securities mentioned herein above representing the underlying Equity Shares issued by the Company in registered or bearer form with such features and attributes as are prevalent in capital markets for instruments of this nature and to provide for the tradability or free transferability thereof as per the prevailing practices and regulations in the Capital markets.

RESOLVED FURTHER THAT the Securities issued in International offering shall be deemed to have been made abroad in the markets and/or at the place of issue of the Securities in International markets and shall be governed by the English or American law as the case may be.

RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot such number of Equity Shares as may be required to be issued and allotted upon conversion of any Securities referred to in paragraph(s) above as may be necessary in accordance with the terms of the offering and all such shares to rank pari passu with the existing Equity Shares of the Company in all respects, excepting such right as to dividend and voting as may be provided under the terms of issue and in the Offer Document.

RESOLVED FURTHER THAT subject to necessary approval, consent / permission, the Board be and is hereby authorised to convert the Global Depository Receipts into ADR / ADS and list at NASDAQ / NYSE or in any other overseas stock exchanges.

RESOLVED FURTHER THAT the board be and is hereby authorized to delegate all or any of the powers herein conferred to any committee of directors or Senior Executive(s) / Officer(s) of the Company to give effect to the resolution.

RESOLVED FURTHER THAT for the purpose of giving effect to any issue of allotment of Equity Shares or Securities representing the same, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable and to settle any questions, difficulty or doubt that may arise in regard to the offering, issue, allotment and utilization of the issue proceeds, as it may in its absolute discretion, deem fit and proper."

12. To pass with or without modification, the following resolution as a **SPECIAL RESOLUTION**:

TO ISSUE BONUS SHARES IN THE RATIO OF 1:1

"RESOLVED THAT pursuant to the recommendation of the Board of Directors, provisions of Section 81 and other applicable provisions, if any, of the Companies Act, 1956, Article 65 (a) & (b) of the Articles of Association of the Company and subject to the terms and conditions as enumerated in the Listing Agreement executed with the Stock Exchanges and subject to the approvals, consents, permissions and / or sanctions, if any are required, of the Government of India ("GOI"), Reserve Bank of India ("RBI"), Securities and Exchange Board of India ("SEBI"), the Stock Exchanges and any other appropriate authorities, institutions or bodies and subject to such conditions as may be prescribed by any of them in granting any such approval, consent, permission or sanction the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include any committee of the Board exercising the powers conferred by the Board) be and is hereby authorized on behalf of the Company to capitalize a sum of Rs.13,43,96,015/- (Rupees Thirteen Crores Forty Three Lacs Ninety Six Thousand Fifteen only) out of the Company's General Reserves & Surplus and that the said sum so capitalised be applied in paying up in full at par for issue of 2,68,79,203 new Equity Shares of Rs.5/- each in proportion of One Bonus Share for every existing One Equity Share (hereinafter referred to as the 'said Bonus Shares') in the share capital of the Company and the said Bonus Shares be appropriated as capital and not as income and allotted and distributed as fully paid



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up Bonus Shares to and amongst the persons registered in the Register of Members as the holders of the existing Equity Shares of the Company on such date as may be decided by the Board of Directors or any committee thereof or any director of the Company, provided that the issue and allotment of the said Bonus Shares are subject to the following terms and conditions:

- (i) That the said Bonus Shares shall be allotted subject to the Memorandum & Articles of Association of the Company;
- (ii) That the said Bonus Shares shall in all respects rank pari passu in all respects and carry the same rights as the then existing Equity Shares of the Company, notwithstanding the date or dates of allotment thereof, including entitlement to payment of Dividend, if declared, for the financial year in which the same are allotted;
- (iii) That no allotment letter shall be issued to the allottees of the said Bonus Shares and that Certificates in respect of the said Bonus Shares allotted shall be sent to the respective allottees within the prescribed stipulated time from the date of allotment thereof;
- (iv) That the issue and allotment of the Bonus Shares to the extent that they relate to non resident shall be subject to approval of the Reserve Bank of India, under the Foreign Exchange Management Act, 1999 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force);
- (v) That it is hereby recorded that subject to statutory limitation of dividend, if any and provided cash resources are adequate and profits after taxation for the year are sufficient to cover the dividend plus transfers to reserves which may be required, it is the intention of the Board of Directors unless prevented by unforeseen circumstances to recommend the declaration and payment of dividend at a rate not less than 50% on the equity share capital of the Company as increased by the proposed bonus issue in the financial year of the Company immediately after the allotment of the said Bonus Shares. This statement of intention is not a forecast;
- (vi) That for the purpose of giving effect to the resolution the Board of Directors / any Committee thereof be and are hereby authorised to do all such acts, deeds, matters and things, as they may in their absolute discretion, deem necessary, expedient, usual or proper and to give authority to such Directors as may be necessary to settle any question or difficulty whatsoever (including a question or difficulty in connection with any deceased or insolvent Member or a Member suffering from any disability) that may arise in regard to issue and distribution of the New Equity Shares as they may think fit.

RESOLVED FURTHER THAT the Board of Directors/ any committee thereof be and are hereby authorised to do all such acts, deeds, matters and things in their absolute discretion as may consider necessary, expedient to give effect to the issue and allotment of Bonus Shares."

13. To pass with or without modification, the following resolution as a **SPECIAL RESOLUTION**
INCREASE IN AUTHORISED SHARE CAPITAL - ALTERATION OF MEMORANDUM OF ASSOCIATION

"**RESOLVED THAT** pursuant to the provisions of Section 94 (1)(a) and other applicable provisions, if any of the Companies Act, 1956, the Authorised Share Capital of the Company be and is hereby increased from Rs.20,00,00,000/- (Rupees Twenty Crores only) divided into 4,00,00,000 Equity Shares of Rs.5/- each to Rs.30,00,00,000/- (Rupees Thirty Crores only) divided into 6,00,00,000 (Six Crores only) Equity Shares of Rs.5/- each.

RESOLVED FURTHER THAT the existing Clause V of the Memorandum of Association of the Company as to share capital be and is hereby deleted and in its place the following Clause V be substituted:

- V. The Authorised share capital of the Company is Rs.30,00,00,000/- (Rupees Thirty Crores only) divided into 6,00,00,000 (Six Crores only) Equity Shares of Rs.5/- (Five) each.'

By Order of the Board
For Havell's India Limited

Ritu Mehrotra
Company Secretary

Noida, May 18, 2006

NOTES

1. **ANY MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL ONLY INSTEAD OF HIMSELF/HERSELF AND SUCH A PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE MEETING.**
2. The Register of Members and Share Transfer Register will remain closed from Wednesday, the 7th day of June, 2006 to Wednesday, the 14th day of June, 2006 (both days inclusive).
3. The dividend, if any declared, shall be payable to those Shareholders whose name(s) stand registered:
 - a) as Beneficial Owner as at the end of business on 6th June, 2006 as per the lists to be furnished by National Securities Depositories Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form, and
 - b) as member in the Register of Members of the Company/ Registrar & Share Transfer Agent after giving effect to valid share transfers in physical form lodged with the Company as at the end of business on 6th June, 2006.
4. Shareholders seeking any information with regard to accounts are requested to write to the Company atleast 10 days before the meeting so that the information be made available by the management at the day of the meeting.



- i) Members are requested to immediately intimate any change in Address to MCS Limited, W-40, Okhla Industrial Area, Phase - II, New Delhi 110 020, Registrar and Transfer Agent of the Company, so that change could be effected in the Register of Members before closure.
 - ii) Members who are holding shares in Demat mode are requested to notify any change in their residential address or Bank A/c details immediately to their respective Depository Participants.
 - iii) Members who have not opted for ECS facility earlier are requested to fill up the enclosed mandate form and return it to MCS Limited, W-40, Okhla Industrial Area, Phase - II, New Delhi 110 020, to avail the ECS facility otherwise they are requested to intimate their Savings Account/Current Account No. and the name of Bank with whom such account is held to enable the Company to print the said detail on the Dividend Warrant to prevent fraudulent encashment of the same.
5. Members/Proxies are requested to fill in and sign the Attendance Slip for attending the meeting.
 6. During the year, amount of Un-claimed Dividend for the year 1997-98 has been deposited in the Investors Education and Protection Fund.
 7. In case the Dividend still remained unclaimed from the financial years 1998-99 to 2004-05, the shareholders may approach the company with their dividend warrants for revalidation.
 8. Pursuant to the requirements of the Listing Agreement of Stock Exchanges on Corporate Governance, the information about the Directors proposed to be appointed/ re-appointed is given in the Annexure to the Notice.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO. 6

The Board of Directors have co-opted Maj. Gen. D.N. Khurana as an Additional Director of the Company at their Meeting held on 28th October, 2005. After distinguished service of over four decades, Major General Khurana retired from the Indian Army in 1991. He was the founding Director General of Institute of Directors India for two years. He assumed the assignment of Director General of All India Management Association (AIMA) in 1995. During this period of 11 years, he has steered the National Management Movement in the country and knitted together 56 Local Management Associations spread across India and abroad. As Director General, AIMA, he has visited and set up close collaboration and linkages with Carnegie Mellon University, USA, American Management Association, Henley Management College, UK, Chartered Institute of Management UK, St. Gallen University, Switzerland and Deakin University, Australia.

His long standing experience brings a wealth of professional expertise and experience to the Board. In terms of the provisions of Section 260 of the Companies Act, 1956, Maj. Gen. D.N. Khurana will hold office only upto the date of ensuing Annual General meeting. Notice has been received from a member under Section 257 of the Companies Act, 1956 proposing the candidature of Maj. Gen. D.N. Khurana for the office of Director and signifying his intention to move the resolution as set out in Item No. 6 of this notice.

The Directors recommend the resolution for approval of the shareholders.

Except Maj. Gen. D.N. Khurana, who is seeking the appointment, none of the Director is concerned or interested in the resolution.

ITEM NO. 7

The Board of Directors have co-opted Shri S.B. Mathur as an Additional Director of the Company at their Meeting held on 24th January, 2006. Shri S.B. Mathur is a qualified Chartered Accountant, retired from Life Insurance Corporation of India (LIC) in October 2004 as its Chairman. He held various positions as Senior Divisional Manager of Gwalior Division, Chief of Corporate Planning, General Manager of LIC (International) E.C., Zonal Manager in charge of Western Zone and Executive Director. He has a successful track record of introducing new products in the insurance sector in a competitive environment.

The Government of India has appointed him as the 'Administrator' of the Specified Undertaking of the Unit Trust of India (SUUTI) in exercise of the powers conferred by sub-section (1) of section 7 of the Unit Trust of India (Transfer of Undertaking & Repeal) Act, 2002.

His long standing experience brings a wealth of professional expertise and experience to the Board. In terms of the provisions of Section 260 of the Companies Act, 1956, Shri S.B. Mathur will hold office only upto the date of ensuing Annual General meeting. Notice has been received from a member under Section 257 of the Companies Act, 1956 proposing the candidature of Shri S.B. Mathur for the office of Director and signifying his intention to move the resolution as set out in Item No. 7 of this notice.

The Directors recommend the resolution for approval of the shareholders.

Except Shri S.B. Mathur, who is seeking the appointment, none of the Director is concerned or interested in the resolution.

ITEM NO. 8

Pursuant to provisions of Section 198, 269, 309 & 310 read with Schedule XIII of the Companies Act, 1956, the Company has at its Annual General Meeting held on 24th August, 2001 approved the re-appointment of Shri Qimat Rai Gupta, Chairman & Managing Director, for a period of 5 years with effect from 21.03.2002 at a remuneration of Rs.2,25,000/- per month.



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Shri Qimat Rai Gupta is the founder and Chairman of Havell's India Limited. Under his stewardship, Havell's has achieved the distinction of becoming India's leading Electrical group. The credit for commendable performance goes substantially to the dynamic leadership and vision imparted to the group by Shri Qimat Rai Gupta. His Valuable and sincere contribution is highly appreciated in the progress of the Company.

The Board of Directors of the Company at their Meeting held on 28th October, 2005 approved the re-appointment of Shri Qimat Rai Gupta as Chairman & Managing Director for a period from 1st November, 2005 to 31st March, 2010 on a monthly remuneration of Rs.3,50,000/- and subject to maximum of Rs.5,00,000/- per month.

In view of the above, it is just and equitable that Shri Qimat Rai Gupta, be re-appointed as a Chairman & Managing Director for the period from 1st November, 2005 to 31st March, 2010 on such terms and conditions as agreed upon by and between him and the Board of Directors / any committee thereof.

Except Shri Qimat Rai Gupta, Shri Sujit Gupta and Shri Anil Gupta, no other Director of the Company is concerned or interested in the Resolution.

The above statement may also be treated as an abstract of the terms and Memorandum of Interest under Section 302 of the Companies Act, 1956.

ITEM NO. 9

Pursuant to the provisions of Section 198, 269, 309 & 310 read with Schedule XIII of the Companies Act, 1956, the Company has at its Annual General Meeting held on 24th August, 2001 re-appointed Shri Rajesh Gupta, Director (Finance) for a period of five years with effect from March 21, 2002 at a remuneration of Rs.1,00,000/- per month and other perquisites as applicable. Further, his remuneration increased subject to maximum of Rs.2,50,000/- per month at the Annual General Meeting held on 23rd August, 2002.

Shri Rajesh Gupta, a Chartered Accountant by profession is associated with the Company for more than 25 years. His deep personal involvement in the affairs of the Company has yielded rich dividend. Under his supervision and stewardship the company has successfully completed the restructured plan of the Havell's Group this year. The Board appreciates for his valuable and sincere contribution made by him in the progress of the company.

The Remuneration Committee of Board of Directors of the Company at their Meeting held on 18th May, 2006 recommended the re-appointment of Shri Rajesh Gupta as Director (Finance) for a period from 1st April, 2006 to 31st March, 2011 on a monthly remuneration of Rs.3,60,000/- and subject to maximum of Rs.5,00,000/- per month.

In view of the above, it is just and equitable that Shri Rajesh Gupta, be re-appointed as a Whole Time Director (Finance) for the period from 1st April, 2006 to 31st March, 2011 on such terms and conditions as agreed upon by and between him and the Board of Directors / any committee thereof.

Except Shri Rajesh Gupta, no other Director of the Company is concerned or interested in the Resolution.

The above statement may also be treated as an abstract of the terms and Memorandum of Interest under Section 302 of the Companies Act, 1956.

ITEM NO. 10

Pursuant to the provisions of Section 198, 269, 316, 309 & 310 read with Schedule XIII of the Companies Act, 1956, the Board of Directors of the Company at its Meeting held on 18th May, 2006 recommended the appointment of Shri Anil Gupta as Joint Managing Director for a period from 18th May, 2006 to 31st March, 2011 on a monthly remuneration of Rs.1,50,000/- and subject to maximum of Rs.5,00,000/- per month.

Shri Anil Gupta is the Director of the Company since 1992. He is B. A. (Economics) and MBA (Marketing and Finance) from Wake Forest University, North Carolina, USA. He is serving the Company by developing new business, forming new alliances with foreign collaborators and / or taking over other businesses within and outside India. He is supervising marketing and sales functions of the Company. His Valuable and sincere contribution is highly appreciated in the progress of the Company. Under his leadership, the Company is able to increase its export to a great extent.

In view of the above, it is just and equitable that Shri Anil Gupta, be appointed as a Joint Managing Director for the period from 18th May, 2006 to 31st March, 2011 on such terms and conditions as agreed upon by and between him and the Board of Directors / any committee thereof.

Pursuant to the provisions of section 316 of the Companies Act, 1956 the Board unanimously approved appointment of Shri Anil Gupta as Joint Managing Director in the Company as he is also a Managing Director in Standard Electricals Limited.

Except Shri Anil Gupta and Shri Qimat Rai Gupta, no other Director of the Company is concerned or interested in the Resolution.



NOTICE

The above statement may also be treated as an abstract of the terms and Memorandum of Interest under Section 302 of the Companies Act, 1956.

ITEM NO. 11

The purpose of the offer is to expand and modernize its existing businesses and also to exploit the emerging opportunities for growth through acquisitions, joint ventures and strategic alliances both abroad and in India.

To meet the capital requirement of these projects, the Company decided to meet its funds requirements through internal as well as external sources.

The Special Resolution is proposed by the Company for further issue of securities of by way of Qualified Institutional Placements (QIPs)/ Foreign Currency Convertible Bonds (FCCBs) / equity/ equity liked securities like American Depository Receipt (ADRs), Global Depository Receipts (GDRs), Convertible Debentures (whether fully convertible or not), Secured Premium Notes, and / or other type of securities for cash or stock swap or acquisition of digital contents/ business or combination thereof through public offer / private placement as mentioned in the resolution for an amount not exceeding US Dollars 60 million or upto such limit as may be permitted by the Ministry of Finance or such other authorities.

The Company will work out the mode of financing plans and also the utilisation plans in consultation with Advisors, Lead Managers and / or other agencies wherever applicable subject to the approval of Government of India, Reserve Bank of India, Securities and Exchange of India and other authorities concerned. Since, the modalities and the terms of the issue will be decided by the Board, the issue price of such securities will be determined by the Board at the time of issue(s) depending on the prevailing market conditions and may be listed on Stock Exchange(s) whether in India or abroad, as may be deemed fit by the Board and may be represented by the depositing receipts and / or such other securities. This resolution gives adequate flexibility in respect of working out the modalities of issue including size, timing and pricing and also issue such securities in such tranches, at such times and at such price and / or such other valuable consideration(s) as the Board may in its absolute discretion deem fit.

The Board, therefore, recommend the resolution at Item No.11 for approval of the shareholders as a Special Resolution

None of the Director is concerned or interested in the resolution.

ITEM NO. 12

With a view to bring the Share Capital to a level commensurate with the total capital employed in the Company, your Directors have proposed that sums not exceeding Rs.13,43,96,015/- be drawn from the Reserves & Surplus of the Company and be capitalized and transferred to Share Capital Account towards issue and allotment exceeding 2,68,79,203 equity shares of Rs.5/- each as Bonus Shares, credited as fully paid up, to the members holding equity shares.

The Bonus Shares will be issued in proportion of One new Equity Share for every One Equity Share held on the Record Date. The said Bonus Shares shall rank *pari passu* in all respects with the then existing equity shares.

In terms of the above resolution, subject to any unforeseen circumstances and/ or any regulatory measures of law, your Directors, places on record their intention to recommend payment of dividend at a rate not less than 50% on the increased paid up equity share capital after issue of the bonus issue for the financial year in which such Bonus Shares are issued and allotted. This statement of intention is not a forecast.

The issue and allotment of the Bonus Shares to the extent that they relate to non resident shall be subject to approval of the Reserve Bank of India, under the Foreign Exchange Management Act, 1999 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

The Board recommends the resolution for approval of the shareholders.

The Directors of the Company may be deemed to be concerned or interested in the Resolution to the extent of Bonus Shares that may be allotted in respect of the existing shares held by them or by their relatives and by companies, body corporate or trust of which the directors of the Company are directors, members or beneficiaries.

ITEM NO. 13

The issue of Bonus Shares at Item No. 11 and issue of QIPs/ FCCBs/ / GDRs / ADRs, at item no.12 if approved at the General Meeting will result in the necessity to increase the Authorised Share Capital of the Company. The Board at their meeting held on May 18, 2006 decided to increase the authorised share capital to Rs.30 crores.

The Board, therefore, recommend the resolution at Item No.13 for approval of the shareholders as a Special Resolution

None of the Director is concerned or interested in the resolution.

By Order of the Board
For Havell's India Limited

Ritu Mehrotra
Company Secretary

Noida, May 18, 2006

Registered Office:
1/7, Ram Kishore Road,
Civil Lines, Delhi - 110 054



ANNEXURE

PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES, FOLLOWING INFORMATION IS FURNISHED ABOUT THE DIRECTORS PROPOSED TO BE APPOINTED/RE-APPOINTED

Name of Director	Date of Birth (No. of Shares held)	Qualifications	Nature of expertise	Name of the Companies in which he/ she holds Directorship	Name Committee of the Companies of which he holds Membership/ Chairmanship
Shri Surjit Gupta	13th January, 1942 (1632540)	F.Sc. from Punjab University Diploma in Mechanical Engineering from State Board of Technical Education, Punjab	He worked as technical head of Havell's. Havell's became a leading group in the electrical field, with an excellent reputation for quality engineering products. He Developed variety of new products. He was instrumental in the initial exposure of Havell's to international manufacturers and technology. He improved Havell's manufacturing and also enter into alliance with foreign manufacturers.	<ul style="list-style-type: none"> ♦ Havell's India Limited ♦ TTL Limited ♦ QRG Enterprises Ltd. ♦ Havell's Switchgears Pvt. Ltd. ♦ Havell's Financial Services Limited 	Havell's India Ltd. <ul style="list-style-type: none"> - Remuneration Committee (Member) - Investors' Grievance Committee (Member) - Audit Committee (Member)
Dr. Abid Hussain	26th December, 1926 (NIL)	M. A., I.A.S. (Retd.)	Dr. Abid Hussain has been an outstanding civil servant and served in various capacities at Govt. of India. He was Commerce Secretary to the Govt. of India	<ul style="list-style-type: none"> ♦ Havell's India Ltd. ♦ Hyderabad Flextech Ltd. ♦ Morgan Stanley Asset Management (I) Ltd. ♦ Nagarjuna Oil Corp. Ltd. ♦ GVK Industries Ltd. ♦ GVK Taj Hotels & Resorts Ltd. ♦ Zodiac Clothing Co. Ltd. ♦ Wockhardt Ltd. ♦ Shree Cement Ltd. 	Havell's India Ltd. <ul style="list-style-type: none"> - Audit Committee (Member) - Remuneration Committee (Chairman) GVK Industries Ltd. <ul style="list-style-type: none"> - Audit Committee (Member) Wockhardt Ltd. <ul style="list-style-type: none"> - Shareholders/ Investors Grievance Committee (Member) - Audit Committee (Member) Shree Cement Ltd. <ul style="list-style-type: none"> - Shareholders/ Investors Grievance Committee (Member) - Audit Committee (Member)



Name of Director	Date of Birth (No. of Shares held)	Qualifications	Nature of expertise	Name of the Companies in which he/ she holds Directorship	Name Committee of the Companies of which he holds Membership/ Chairmanship
Maj Gen. D.N. Khurana	15th May, 1935 (Nil)	M. Sc. B. (Tech)	He is Director General of All India Management Association. He has steered the National Management Movement in the country and knitted together 56 Local Management Associations spread across India and abroad. As Director General, AIMA, he set up close collaboration and linkages with Carnegie Mellon University, USA, American Management Association, Henley Management College, UK, Chartered Institute of Management UK, St. Gallen University, Switzerland and Deakin University, Australia.	<ul style="list-style-type: none"> Havell's India Limited Cadila Pharmaceuticals Ltd. 	Havell's India Ltd. - Audit Committee (Member)
Shri S.B. Mathur	11th October, 1944 (Nil)	Chartered Accountant	A Qualified Chartered Accountant retired from Life Insurance Corporation of India (LIC) in October 2004 as its Chairman. He held various positions as Senior Divisional Manager of Gwalior Division, Chief of Corporate Planning, General Manager of LIC (international) E.C., Zonal Manager in charge of Western Zone and Executive Director. He has a successful track record of introducing new products in the insurance sector	<ul style="list-style-type: none"> Havell's India Limited The National Stock Exchange of India Ltd. EID Parry (I) Ltd. Grasim Industries Ltd. IL&FS Ltd. Munich Re India Services Pvt. Ltd. National Collateral Management Services Ltd. ITC Ltd. UTI Bank Ltd. Indian Railway Catering & Tourism Corporation Ltd. UTI Technology Services Ltd. UTI Infrastructure & Services Ltd. 	Havell's India Ltd. - Audit Committee (Chairman) National Stock Exchange of India Ltd. - Compensation Committee (Chairman) IL&FS Ltd. - Compensation Committee (Chairman) ITC Ltd. - Audit Committee (Member) - Compensation Committee (Member)